Blended Capitation Model – Frequently Asked Questions for Primary Care Physicians

1. How has the Blended Capitation Model (BCM) changed since the first round of recruitment in 2017?

Alberta Health, the Alberta Medical Association (AMA), and Alberta Health Services (AHS) have listened to the concerns that physicians have had regarding the BCM since the first round of recruitment in 2017. In response, several changes have been made to the BCM for the second round of recruitment:

In contrast to the first round of recruitment, clinics will now be considered for the BCM demonstration project with less than 100% physician involvement. Both urban and rural clinics will also be considered. Clinics will receive additional supports to ease the transition from fee-for-service (FFS) to the BCM. Once clinics have transitioned to the BCM, they will now be able to bill two FFS claims per non-affiliated patient every two years.

2. Who is eligible to participate in the BCM demonstration project?

Office-based comprehensive primary care clinics that have high administrative capacity and can adapt to the anticipated practice changes are eligible to participate in the demonstration project. Ideally, all physicians within a prospective clinic will be interested in joining the model and practice exclusively in an office-based setting. However, clinics with at least 80% physician interest will be assessed for participation on a case-by-case basis.

Clinics with physicians who work in an Emergency Department or urgent care centre in the same community as the clinic will also be assessed on a case-by-case basis as our team is interested in exploring potential adaptation to the model.

3. Why is a demonstration project being used?

The demonstration project allows the viability of the model to be explored in a live setting prior to full scale implementation.

4. When did the demonstration project start and how long is it expected to last?

The BCM demonstration project commenced in November 2016, with a first recruitment phase that ended in September 2017. The second recruitment phase began in January 2018 and will end in June, 2019. With the recruitment of additional clinics, the demonstration project is expected to end in December 2021.

5. How many clinics will be allowed to join the BCM demonstration project?

We are targeting for 10 clinics to participate in the model over the next 2 years.

6. How will physicians be paid in this new model?

The Blended Capitation Model blends a mix of patient-based (capitation) payments and volume-based payments (through FFS) to compensate physicians.

Clinics will receive a set capitation payment for each patient that they have formally affiliated. The capitation payments are calculated based on a patient's average use of a defined "basket of services" based on their age, sex, and clinical risk status, and are intended to compensate physicians for any of these "in-basket" services provided. The clinic receives 85 per cent of each patient's total capitation rate in equally divided biweekly payments over the year, regardless of the number of services provided to the patient.

Physicians are eligible to receive the remaining 15 per cent of the patient's total capitation rate through the provision of services. For in-basket health services, physicians will be paid the equivalent of 15 per cent of the FFS rate, up to a maximum of 100 per cent of the patient's capitation rate. All out-of-basket services will be paid at 100 per cent of the FFS rate.

All other payments, such as the Business Cost Program and Rural Remote Northern Program, will not change.

7. What will the physician-patient affiliation process entail?

To formally affiliate a patient to a participating clinic, both the physician and patient will sign a form agreeing to a physician-patient relationship and its associated expectations and benefits. Completed forms will be collected by clinics who will then submit the corresponding patient information electronically to Alberta Health through the Central Patient Attachment Registry (CPAR).

If an affiliated patient is admitted into long-term care, becomes deceased or leaves the province or country, the affiliation will be automatically terminated.

8. What is included in the basket of services?

The basket of services has been developed to reflect the typical medical services delivered by a non-specialized general practitioner in an office-based setting. Any health service included as part of the basket of services is referred to as an "in-basket service". These services will be used when determining blended capitation payment along with other factors as described further in question 6.

9. What is negation?

Negation is a financial penalty received by a participating clinic when an affiliated patient is not able to access services at their home clinic. When an affiliated patient receives an in-

basket service at another clinic, their home clinic is negated for the full amount of the FFS claim, up to an annual maximum of 85 per cent of the total capitation rate.

Clinics that join the BCM are not subject to any affiliated patient panel size requirements, and may affiliate as many patients as they feel they can provide comprehensive care for. However, to prevent negation, clinics should consider patient access when affiliating patients and creating their service delivery model. By utilizing alternative modes of care delivery (e.g. – phone, secure email, group visits) and maximizing the capacity of the care team there is potential for clinics to increase their panel sizes beyond what is possible in FFS.

10. What about patients that don't want to affiliate or are transient?

Physicians can bill FFS for up to two in-basket claims with each patient over a two-year period without formally committing to the relationship by affiliation. Any subsequent claims for an unaffiliated patient will be rejected by Alberta Health.

11. Why is it important to continue submitting FFS claims for in-basket health services?

Participating clinics must submit their FFS claims for in-basket services provided to their affiliated patients to receive the 15% FFS component.

Additionally, accurate FFS billing is required to calculate the capitation rates for patients. Capitation rates are calculated, in part, based on the average use of the basket of services. Therefore, a significant decrease in reporting could compromise the level of compensation physicians receive. A patient's risk status, also used to calculate capitation rates, is determined based on diagnostic codes associated with FFS claims. If reporting decreases, risk status will be underestimated, patients will appear to be healthier than they are, and payment will be under-represented.

12. Will physicians receive greater compensation under the BCM compared to FFS?

Compensation levels will depend on a number of factors. For example, if a clinic creates efficiencies by utilizing interdisciplinary team members or prioritizing disease prevention, they may be able to sign up, or "affiliate", more patients and receive a higher level of compensation. However, if a clinic increases its panel size to the extent that patient access is compromised, compensation may decrease due to negation.

Financial modeling will be completed for clinics that are interested in participating in the BCM. This modeling will give clinics an idea of their future compensation levels and provide comparisons to FFS. Additional information such as panel demographics and utilization patterns is included in the modeling. BCM Implementation Team members will walk clinics through the data and answer any questions when modeling is complete.

It is important to note that participation in the BCM is entirely voluntary. Though it is not anticipated, clinics can leave the model at any time for any reason and return to FFS.

13. Are there Information Technology requirements for physicians who transition to the BCM?

Yes. Physicians will be given access to the program 'APP Online' in order to view and generate reports related to payments and negations. In order to track affiliation of patients, they will also utilize the Centralized Patient Attachment Registry (CPAR). Participating clinics will also be required to use an electronic medical record (EMR). Clinics will receive support from Alberta Health prior to implementation to learn how to use APP Online and CPAR.

14. What reporting will participating clinics have access to?

Through APP Online, participating clinics will have access to a Capitation Payment Summary, which will list all patients affiliated to the clinic and their associated capitation payment, any FFS payments, and total negation. Clinics will also have access to a Formal Negation Report, which will show all services that affiliated patients have received outside of their home clinic for each pay period.

Clinics that transition to the BCM will be granted a one-year negation-free period, in which the clinics will have access to reporting through APP Online for information purposes only. It is recommended that clinics use the reporting available to them during this time to adapt their service delivery model.

15. Will there be any support to help my clinic to develop necessary new processes and to help with the transition to BCM?

Yes. During the demonstration project, clinics will be provided with facilitation support for process redesign (administrative and clinical) via the AMA. The level of support will vary based on clinic needs and experience with quality improvement.

16. My clinic wants to join the demonstration project. What are our next steps?

Clinics that are interested in joining the model as a demonstration project are invited to contact the BCM Implementation Team directly (contact info below) to express their interest in participating.

17. Where can I get more information on the Blended Capitation Model and/or express my clinics desire to participate?

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